



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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August 9, 1999

Jim Jensen, Executive Vice President
Savage Industries, Inc.
5250 South 300 West, Suite 200
Salt Lake City, Utah 84107

Re: Five-Year Permit Renewal, Savage Coal Terminal, Savage Industries, Inc., ACT/007/022-99PR, Folder #3, Emery County, Utah

Jim
Dear Mr. Jensen:

The permit renewal for the Savage Coal Terminal is approved with two conditions:

- 1) "This permit is effective August 7, 1999. If any public comments are received between the time of expiration and the extended public comment period (September 3, 1999), those comments will be given appropriate programmatic consideration," and
- 2) "Savage Industries, Inc. will submit water quality data electronically to the Division for the Savage Coal Terminal beginning with data for the third quarter of 1999."

Enclosed are two (2) copies of the renewed permanent program mining and reclamation permit with the above-noted condition. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Savage Industries, Inc. representative and return one to the Division.

If you have any questions, please call me.

Sincerely,

Lowell P. Braxton
Director

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Enclosures

cc: James Fulton, OSM, WRCC
R. Singh, OSM, WRCC
PFO

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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Savage Industries, Inc.
Savage Coal Terminal
ACT/007/022
Carbon County, Utah

August 9, 1999

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ADMINISTRATIVE OVERVIEW

Savage Industries, Inc.
Savage Coal Terminal
Five Year Permit Renewal
ACT/007/022
Carbon County, Utah

August 9, 1999

BACKGROUND

The Savage Coal Terminal is owned and operated by Savage Industries, Inc. Savage purchased this facility (previously called the C.V. Spur Coal Processing Facility) from Mountain Coal Company in 1997. The C.V. Spur Coal Processing and Loadout Facility was purchased in 1977 from Utah Power and Light company, which used the site for coal loading.

The permit area, comprising 154 acres, is located approximately four miles south-southeast of Price, Utah, and approximately one mile from the Price River floodplain. The site is characterized by gently-sloping terrain. Soils are fine textured and saline, supporting a salt desert vegetation community.

PERMIT RENEWAL

The application for permit renewal was informally submitted by fax on April 7, 1999 and formally submitted on July 6, 1999. This renewal application was determined administratively complete on July 9, 1999. Public notice for this permit renewal was published in the Sun Advocate on July 13, 20, 27 and August 3, 1999.

This renewal encompasses the same permit area and disturbance as currently approved in the permit.

ANALYSIS

The permit renewal application was not formally received at least 120 days prior to permit renewal, however, there was an informal application. All notices were published as required. Due to the fact that the comment period went beyond the expiration date, a condition has been added to the permit to allow for comments to be handled programmatically if there are any. There is also a condition to submit water quality data electronically for this site to the Division beginning with the data for third quarter of 1999.

RECOMMENDATION

Approval for this permit renewal is recommended with two conditions.

PERMITTING CHRONOLOGY

Savage Industries, Inc.
Savage Coal Terminal
Permit Renewal
ACT/007/022
Carbon County, Utah

August 9, 1999

April 7, 1999 Savage	Savage Industries, Inc. faxed an intent to renew the permit for Coal Terminal.
June 30, 1999 received	Savage Industries, Inc. submitted a permit renewal application, July 6, 1999.
July 9, 1999	Determination of Administrative Completeness of permit renewal application.
July 13, 20, 27 and August 3, 1999	Public notice for permit renewal for the Savage Coal Terminal published in the <u>Sun Advocate</u> .
July 12, 1999	Permit renewal completeness determination sent to applicable state, federal, and county agencies with a note that comments must be received by August 6, 1999.
August 7, 1999	This permit is renewed with two conditions: 1) "This permit is effective August 7, 1999. If any public comments are received between the time of expiration and the extended public comment period (September 3, 1999), those comments will be given appropriate programmatic consideration," and 2) "Savage Industries, Inc. will submit water quality data electronically to the Division for the Savage Coal Terminal beginning with data for the third quarter of 1999."

PERMIT RENEWAL FINDINGS

Savage Industries, Inc.
Savage Coal Terminal
ACT/007/022
Carbon County, Utah

August 9, 1999

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. See original TA (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. See list of violations for the past 3 years. (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. See original TA. (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Continental Casualty Company, Policy GL196004194)(R645-303-233.140).
6. The operator has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (National Fire Insurance Company of Hartford - #158987108 in the amount of \$2,525,000) (R645-303-233.150).
7. To date, the operator has submitted updated information as required by the Division through this permit term. (R645-233.160).


Permit Supervisor


Permit Supervisor


Associate Director of Mining


Director

NON-FEDERAL
August 7, 1999

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5289

This permit, ACT/007/022, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Savage Industries, Inc.
5250 South 300 West, Suite 200
Salt Lake City, Utah 84107
(801) 263-9400

for the Savage Coal Terminal. Savage Industries, Inc. is the owner of fee-owned property. A performance bond is filed with the DOGM in the amount of \$2,525,000.00, payable to the state of Utah, Division of Oil, Gas and Mining. DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining activities associated with a preparation plant on the following described lands within the permit area at the Banning Loadout situated in the state of Utah, Carbon County, and located:

Township 15 South, Range 10, East, SLBM

Section 11: W1/2SW1/4 except 0.24 ac. in NW corner, E1/2SW1/4 except East 100 feet and
5.42 ac. in SW corner.

This legal description is for the permit area of the Savage Coal Terminal and included in the operation and reclamation plan on file at the Division. The permittee is authorized to conduct coal mining and reclamation activities connected with a preparation plant on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Savage Coal Terminal

ACT/007/022

August 7, 1999

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- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit becomes effective on August 7, 1999 and expires on August 7, 2004.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-3023 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENT - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Savage Coal Terminal
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August 7, 1999
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Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: Lance P Braxter

Date: 8/11/99

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

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August 7, 1999
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ATTACHMENT A
SPECIAL CONDITION

1. This permit is effective August 7, 1999. If any public comments are received between the time of expiration and the extended public comment period (September 3, 1999), those comments will be given appropriate programmatic consideration.
2. Savage Industries, Inc. will submit water quality data electronically to the Division for the Savage Coal Terminal beginning with data for the third quarter of 1999.